

AGENDA

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

March 7, 2006

**Aldermen O'Neil, Lopez,
Smith, Forest, DeVries**

5:15 PM

**NH Primary Room
City Hall (3rd Floor)**

1. Chairman O'Neil calls the meeting to order.
2. The Clerk calls the roll.
3. Appeal of the denial of taxi driver's license.
**A motion is in order to enter non-public session under the provisions of
RSA 91-A:3II(c).**

A roll call vote is required on the motion.

TABLED ITEMS

**A motion is in order to remove any of the following items from the table for
discussion.**

4. Communication from Thomas Arnold, Deputy City Solicitor, providing an
update on the status of cable casting origination points.
*(Tabled 11/22/2005 pending further information from the Board of School
Committee.)*
5. Communication from Attorney Kevin Buchholz, on behalf of Metro Cab
and Kenneth DeSchuiteneer, relative to a rate increase of cab fares.
(Tabled 02/13/2006)
6. If there is no further business, a motion is in order to adjourn.



OFFICE OF THE CITY CLERK
Business Licensing & Enforcement Div.
One City Hall Plaza
Manchester, NH 03101
Tel: (603) 624-6348 Fax: (603) 624-6481

Committee on Administration
Office of the City Clerk
One City Hall Plaza
Manchester, NH 03103

HEARING REQUEST FORM

Date: 02/10/06

To Whom It May Concern:

I would like to request a hearing before the Committee on Administration to discuss the decision to deny/revoke my application for a license to drive a taxicab in the city of Manchester.

Sincerely,

Richard R. Baselanger
Richard R. Baselanger
106 W. Baker St.
Manchester, NH 03103



**City of Manchester
Office of the City Solicitor**

One City Hall Plaza
Manchester, New Hampshire 03101
(603) 624-6523 Fax (603) 624-6528
TTY: 1-800-735-2964
Email: solicitor@ci.manchester.nh.us

Thomas R. Clark
City Solicitor

Thomas I. Arnold, III
Deputy City Solicitor

Daniel D. Muller, Jr.
~~Kenneth R. Bernard~~
Michele A. Battaglia
~~Marc van Zanten~~

*Pending Summer 4
info from Schools*

September 27, 2005

Committee on Administration/Information Systems
c/o Leo Bernier, Clerk
One City Hall Plaza
Manchester, New Hampshire 03101

Re: Comcast Cable Origination Points

Gentlemen:

The Committee has requested that Dr. Grace Sullivan and I provide an update on the status of cable casting origination points.

As you are aware Amendment Number 1 to the City of Manchester, New Hampshire Cable Television Renewal Franchise dated June 9, 2003 provided that Comcast would "construct, install and activate hard-wire origination capability to (1) the Manchester School Department Administration Building; (2) the Gill Stadium; (3) the JFK Memorial Coliseum and (4) the Verizon Wireless Arena ..."

The origination points at Gill Stadium and JFK Memorial Coliseum have been installed and are currently operational.

On March 31, 2004 the Superintendent of Schools wrote to the Mayor and requested that origination points be installed at the Manchester West High School gym and athletic facility and the Manchester Memorial High School gym and athletic facility rather than at the school administration building and the Verizon Wireless Arena. On April 20, 2004 the Mayor wrote to Bryan Christensen of Comcast to inquire as to whether Comcast would be willing to install origination points at West High School and Memorial High School without cost.

On August 3, 2004 Comcast wrote to Mike Colby and gave cost estimates for installing the origination points at the School Administration Building and Verizon Wireless Arena (\$28,818.50) and for installing origination points at West High School and Memorial High School (\$52,006.00). By letter from Bryan Christensen to Mayor Baines dated July 4, 2005 Comcast indicated that the additional cost of installing

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origination points at West High School and Memorial High School (\$4,669.50) could come from the PEG Access/Telecommunication funding payment of \$50,000.00 to be made on or before July 15, 2005.

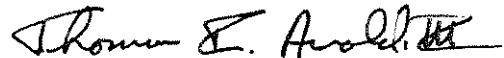
As Comcast is unwilling to absorb the extra cost of installing origination points at West High School and Memorial High School the matter was referred to the School Department to locate funding for the additional cost.

Recently Dr. Sullivan has agreed to fund the extra cost involved in changing the origination points.

As the location of the four origination points that Comcast is to install is provided for in Amendment Number 1 to the Cable Franchise Agreement, changing two of the origination points will require a vote of the Board of Mayor and Aldermen. Consequently, this committee could make a recommendation to the Board of Mayor and Aldermen that the two origination points be changed, should it choose to do so.

Please let me know if I can provide any further information or assistance.

Very Truly Yours



Thomas I. Arnold, III
Deputy City Solicitor

TIA/hms

RECEIVED
MANCHESTER CITY CLERK

JAMES G. WALKER
KEVIN E. BUCHHOLZ

05 DEC 21 12:19

LAW OFFICES
WALKER & BUCHHOLZ
Professional Association
50 BRIDGE STREET, SUITE 205
MANCHESTER, NEW HAMPSHIRE 03101-1699

PHONE (603) 634-5090
FAX (603) 644-8811
INTERNET: kbuchholz@walkerbuchholz.com

December 20, 2005

VIA FACSIMILE
624-6481

Board of Aldermen
Committee on Administration and Information Systems
City of Manchester
One City Hall Plaza
Manchester, NH 03101

Re: Metro Cab Company, Inc.
File #: 7886

Dear Board of Aldermen:

As you know I represent Metro Cab and Kenneth DeSchuiteneer with respect to his request for a rate increase for the cab fares.

The first meeting on this issue was held on September 27, 2005. At that time the committee decided to table the issue in order to obtain additional information. Including obtaining information from the Manchester Police Department concerning the enforcement of the city ordinance prohibiting cabs not licensed to pick up in the city.

The next meeting would have normally taken place on October 25, 2005. However, at that time my office was informed that the issue would not be heard at the October 25 meeting. Instead, we would be notified when the issue would next be scheduled to be heard.

We have now come to learn that the issue was taken up at the November meeting. We have also learned that none of the interested parties that were present at the first meeting were present at the November meeting.

I can tell you that my client and I were not present because we never received notice that the issue would be taken up at the November meeting. I suspect that none of the other interested parties were present, because they likewise failed to receive any notice that the issue would be taken up at the November meeting.

Since the initial meeting my client has obtained additional information that disputes the assertion that Manchester cab rates are among the highest in the nation.

For example, in the month of September alone there were seven cities/counties that increased taxicab fares. (Birmingham, Alabama; Broward County Florida; Little Rock, Arkansas; Memphis, Tennessee; Montgomery City, Maryland; New Haven, Connecticut and Wilmington, North Carolina). The average drop charge for those seven cities/counties is \$3.06 (Manchester is \$3.00 with no increase being requested). The average six-mile trip with no waiting time in those cities/counties is \$13.70 (Manchester is currently \$12.00). The average waiting time fee in those seven cities/counties is \$21.86 per hour (Manchester's waiting fee charge is currently \$15.00 per hour, far below the average).

Between January 1, 2005 and September 1, 2005 other communities raised their taxicab rates. In those 22 communities the average 6 mile trip with no waiting time costs \$14.44. Manchester currently charges \$12.00 for the same trip.

That means for every 100 miles Manchester taxicab drivers are charging \$244.00 less than cab drivers in other cities. The average cab does approximately 100 fare miles per shift. Hence, the average cab driver in Manchester is taking in \$244.00 less per shift than cab drivers in other cities.

Attached hereto is a Taxicab Rate Chart showing the rates for communities with permanent taxicab rate increases passed in 2005 prior to September 1, 2005. Of the 22 communities listed, all but 2 charge higher rates for a 6 mile trip (not including waiting time charges). Most charge significantly higher than Manchester rates. The average waiting time charge for the 22 communities is \$25.43 per hour (Manchester is currently \$10.43 per hour lower).

Given the misrepresentation that were made by others at the initial meeting and the lack of notice of the scheduling of the follow up meeting, my client respectfully request that the Committee reschedule the issue to be heard at the next available meeting.

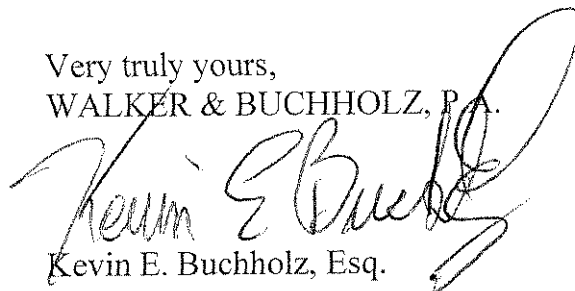
Lastly, my client respectfully requests the Board of Aldermen to consider revising the current city ordinance to remove set fees and allow companies to compete on price. Further, while the ordinance should regulate the safety and quality of the vehicles used as cabs, the ordinance should be amended to allow for more diversity in the types of vehicles that can be used as taxicabs. The current ordinance does little to promote the use

Board of Aldermen
December 20, 2005
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of new fuel efficient technology vehicles. Instead the ordinance forces companies to utilize vehicles that are not fuel efficient.

Your consideration is greatly appreciated.

Very truly yours,
WALKER & BUCHHOLZ, P.A.

A handwritten signature in black ink, appearing to read "Kevin E. Buchholz", is written over the typed name and firm name.

Kevin E. Buchholz, Esq.

KEB:sap
Enclosure
Cc: Kenneth DeSchuiteneer

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Taxicab Rate Charts

Communities with permanent taxicab rate increases passed in 2005

CITY	STATE	POP. /000/	# of Taxis	Cost of 6-Mile Trip*	Drop Charge	Drop Distance	Incremental Charge	Incremental Distance	Waiting Time Per Hr.
				\$	\$	Mileage	\$	Mileage	\$
Anaheim	CA	328	604	16.40	2.40	1/6	0.40	1/6	27.60
Austin	TX	657	533	13.75	2.00	1/4	0.25	1/8	22.50
Baltimore	MD	651	1,157	11.20	1.80	1/8	0.20	1/8	24.00
Buffalo	NY	293	350	16.30	2.30	1/6	0.40	1/6	24.00
Charleston	WV	195	27	11.12	2.00	1/3	0.16	1/10	21.00
Fairfax County	VA	1,000	525	12.90	2.75	1/5	0.35	1/5	21.00
Forked River	NJ	26	11	14.00	5.00	1.5	0.25	1/8	35.00
Honolulu	HI	850	1,900	18.90	2.45	1/8	0.35	1/8	28.00
Houston	TX	1,954	2,245	13.00	2.50	1/6	0.30	1/6	20.00
Kansas City	MO	442	635	12.03	2.00	1/10	0.17	1/10	40.80
Las Vegas	NV	478	1,971	14.95	3.20	1/8	0.25	1/8	22.00
Milwaukee	WI	597	327	13.50	1.75	1/8	0.25	1/8	15.00
Orlando	FL	186	750	13.75	2.00	1/4	0.25	1/8	22.50
Oshkosh	WI	63	24	15.60	3.00	0/0	0.35	1/6	30.00
Palm Beach County	FL	1,216	500	15.25	2.00	1/9	0.25	1/9	24.00
Philadelphia	PA	1,518	1,441	14.60	2.30	1/7	0.30	1/7	20.00
Pinellas County	FL	926	550	14.05	2.30	1/8	0.25	1/8	36.00
Pomona	CA	149	140	15.18	2.20	1/10	0.22	1/10	24.00
San Diego	CA	1,223	930	15.90	2.20	1/23	0.10	1/23	19.00
Santa Fe	NM	62	30	15.72	2.67	1/5	0.45	1/5	29.00
Seattle	WA	563	643	14.80	2.50	1/10	0.20	1/10	30.00
Smithfield	NC	12	16	14.80	3.00	1/10	0.20	1/10	24.00
Average				14.44	2.47	1/5	0.27	3/23	25.43

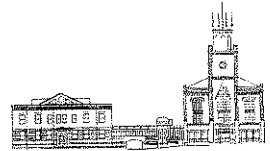
* Cost of 6-mile trip calculated strictly based on mileage fee and the fuel surcharge, if any, with no extras, traffic delay or waiting time added.

† The 2005 Taxicab Fact Book, published annually by TLPA, is currently at the printer. It should be available for distribution in about a week. Among other information, the 2005 Taxicab Fact Book lists complete taxicab rates in approximately 200 U.S. communities.



CITY OF MANCHESTER

Office of the City Clerk



Leo R. Bernier
City Clerk

Carol A. Johnson
Deputy City Clerk

Paula L-Kang
Deputy Clerk
Administrative Services

Matthew Normand
Deputy Clerk
Licensing & Facilities

Patricia Piecuch
Deputy Clerk
Financial Administration

MEMORANDUM

To: Committee on Administration/Information Systems
Ald. O'Neil, Forest, Smith, DeVries, Lopez

From: Matthew Normand, Deputy Clerk *MF*

Date: February 22, 2006

Subject: Taxicab Rate Increase

As requested, I have attached the letter submitted by Rudy Musat of Queen City Taxi regarding a taxicab rate increase. This letter suggests that a "time and mileage" rate charge be allowed. In speaking to Chairman O'Neil, it was felt that this item should be added to your next agenda as opposed to being addressed via a phone poll.

I have also attached an excerpt of the minutes from the September 27, 2005 meeting, which came into question during discussion at your last meeting. This attachment includes the backup material that was included in the agenda.

If you have any questions before the meeting, you may reach me at 624-6473.
Thank you.

Attachments

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To who it may concern,

First of all I like say I'm sorry because I mist the last meeting , because I have had some health problems. Like the last meeting regarding the meter increase, Queen City Taxi considered that is not necessary a meter rate increase yet.

In our point of view , like the last time , we considered that a time and mileage is the best solution for compensation of fuel price increase.

Time and mileage means that from point A to point B the meter will charge for mileage only . The difference will be only when the customer will stop for five minutes and he will pay 0.25 cents per minute.

We ask permission to charge time and mileage , because all taxi industries in US is charging the same.

QUEEN CITY TAXI

S

TAXICAB RATES

[illegible]

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Excerpt from 9/27/2005 Committee on Administration/Info. Systems meeting:

Chairman Forest addressed Item 4 of the agenda:

Communication from Kenneth DeSchuiteneer, Metro Cab Co., Inc.,
requesting consideration of an increase in taxi rates.

Alderman Osborne asked how many of the cab companies are here this evening.
How many different cab companies?

Deputy Clerk Normand stated there are two cab companies in Manchester.

Atty. Kevin Buckles stated I am here on behalf of Metro Cab Company and I will be speaking on behalf of the cab company tonight. As the Board knows, my client is seeking a rate increase with the fares that are allowed to be charged here in the City of Manchester. Currently the fares are regulated by City ordinance. What is currently allowed under the fare schedule is there is an initial drop meter fee of \$3 and 25 cents for each 1/6 of a mile and a waiting time charge of 25 cents a minute. The waiting time charge, I think it is important to point out that it only comes into play if, for example, you are sitting in a heavy traffic pattern waiting for traffic to clear or there is an accident or you are in downtown Manchester trying to get through the crowd that is going to the baseball game or over to the Verizon and your customer has to sit while you wait for the crowd to clear so you can continue on your path. The current waiting time charge comes into play very infrequently if at all on most fares. As the panel is well aware, for those of you who sat at the Fire hearing before this my client's company is not the only company that is being affected by the rising increase in fuel costs. My client has not had a rate increase in over five years. It has been since approximately 1999 that any rate increase has been allowed. I think it is probably fair to say that there are very few businesses here in the City of Manchester who haven't raised their rates between 1999 and now. Those businesses that may not have raised their rates during that period of time certainly are not relying upon the cost of fuel and the maintenance of motor vehicles. There are also very few businesses in the City of Manchester that rely extensively on fuel as a source or a product in the course of rendering the services that they render to their clients. The City may have one such service and that would be the City bus service and I would hazard to guess that if the Committee were to look at the cost of fuel for the City bus service they would see that that has dramatically increased as well. What my client is seeking is a modest rate increase that would allow my client to first of all pay and keep the drivers that he currently has. My client has a few drivers that have worked for him for 9, 10 and 15 years he tells me and those drivers are finding it increasingly difficult to meet their cost of living under the fare structure that is currently in place with the City. By allowing a rate increase that my client is requesting, that is going to allow those drivers to actually increase the amount of money that they can make during the course of a particular evening. Again, I would hazard to guess that there are

few individuals here in the City of Manchester that haven't experienced a raise in the last five years. However, because the fares that are charged by cab drivers directly impact what they make, in essence, they have not had a raise in a five-year period of time. To the extent that they have experienced any raise, that is only at the generosity of those individuals who tip cab drivers over and above the fare that they may make. The increase that my client is asking for was outlined in the letter that he submitted to the Board that I will just go over very briefly. My client wants to increase the current meter rate from 25 cents for each 1/6 of a mile to 25 cents for 1/10 of a mile. If you compute that out, it turns out to be roughly a \$1 increase over every mile. He is not asking for an increase in the drop rate charge. That would remain the same - \$3, which by the way if you compare that charge to other places in and around this area, for example, Portsmouth it is my understanding based on what my client has told me that the drop rate charge in Portsmouth is \$4.25 and that they charge 25 cents for each 1/8 of a mile and in addition they have a 15 minute wait charge, which is 25 cents more than the City of Manchester. I don't know if any of you saw the article in today's *Union Leader*, which was very prominent on the front page that outlined what people are doing in other cities. For example, in Nashua the taxicab companies down there have a self-imposed surcharge of 50 cents for intown and then \$1 for out of town fares. In addition to that, their rates are different than the rate structure here in Manchester to begin with. What I think my client is asking for is simply something that is fair that is going to allow him to continue to service the City of Manchester and the residents of Manchester while being able to pay the drivers for his company a fair rate so that they can earn a living. My client has been experiencing an increasing number of people that are not willing to be cab drivers anymore because of the amount of money it costs them to run a cab, which has a direct bearing on what he pays. The other thing I would like to point out to the Board is that the cost of a fare for a cab is not just dependent upon the cost of gasoline. It is also dependent on things like the cost of insurance and also the cost of maintenance, both of which have dramatically risen over the last five or six years. Currently my client pays in excess of \$10,700 for insurance on a vehicle. As he is saying, that is just liability insurance and does not include worker's compensation or any of the other coverages you might see. In addition to that, the cost of maintenance for vehicles has dramatically risen over the course of the last five years. All of that is either absorbed by the company directly or by the cab drivers. In reality, it is a combination of both. I know that there are some other cab companies here, or at least one other cab company represented here today. It is our understanding that the rate that they charge their drivers to lease the vehicle they have increased but they haven't increased their rate. I understand at least from the *Union Leader* article, that that company is opposed to the rate increase. However, it is also my understanding that he is proposing that there be a surcharge rather than a rate increase. My client takes exception to the surcharge, which is an addition to the drop meter charge because that adversely impacts those people that

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are going for a very short cab ride. Here in the City of Manchester, that is most individuals. Somebody who is going from their apartment or their home to the downtown area to pick up groceries or to go to a dentist or doctor's appointment or to do their banking or check on their Social Security check. Those types of things. Most of those cab rides are a very short distance. If you impose a surcharge what you would be doing is saying to those people that ride very short distances you are going to have to pay this additional surcharge just the same as anyone else who is riding a longer distance yet they are not getting a ride that goes that far and it is a disproportionate impact. It has also been my client's experience that those people who are going the shorter distances like that are lower income people who generally either don't have a car or for some other reason cannot drive as opposed to those who are going longer distances who tend to be people who are on business in the City or around the City and are going to and from in the City related to business and can afford a fare structure that would allow for an increase in the mileage charge as opposed to a simple surcharge. Now granted my client doesn't dispute the fact that the last time the drop meter charge was increased there was a drop in people who were taking cabs. We don't dispute that and we expect that there is probably going to be some drop in the number of people who take cabs if there is a rate increase. However, there isn't going to be any...my client is essentially going to be forced out of business if he is required to keep running his business under the same rate structure.

Alderman Osborne stated I have quite a few questions. From what I read in the *Union Leader* here this doesn't really give me any figures at all. There are a lot of other things to take into consideration like the average trip extras. Do you still charge extras?

Kenneth DeSchuiteneer responded no.

Alderman Osborne stated I ask you this question because I drove a cab when I was 16 years old for Temple and Radio Cabs.

Mr. DeSchuiteneer responded right when you drove cabs I was there.

Alderman Osborne stated I know quite a bit about the business. I can go over this with you a little bit. The figures that you have in the newspaper...

Mr. DeSchuiteneer stated we haven't charged...at least my company hasn't charged extras in years. We just don't charge for the extras and a lot of times it is because we pick up two fares and they are nice enough to let us pick up the second fare so why should we charge them for the extra passenger.

Alderman Osborne responded I am just asking the question. Years ago we used to do that.

Mr. DeSchuiteneer replied yes it was 10 cents extra. It was a 50-cent drop and 10 cents extra.

Alderman Osborne stated today it would probably be a lot more than that — like a quarter of 50 cents or whatever. I guess we all know where that went but anyway the figures are not there. What are the average fares right now?

Mr. DeSchuiteneer responded I would say the average fare is probably...if I go over my sheet and I am figuring it out I would say the average fare runs about \$6. You have some that are \$15 and \$12 but you have others that are \$3.75 and \$4.00. If you average them all out it is about a \$6 fare.

Alderman Osborne asked what are the average trip miles then. It is right around two to three miles.

Mr. DeSchuiteneer answered well if it is \$6 and you figure it is a \$3 drop and that it is \$1.50/mile the average trip would be two miles.

Alderman Osborne asked what about this idling and waiting time. How often...you haven't used this yet right?

Mr. DeSchuiteneer responded no we haven't.

Alderman Osborne asked you don't put the flag all the way over.

Mr. DeSchuiteneer answered right. There are no more flags. When you drove there were flags but now they are buttons. They are electronic now but basically what happens is Manchester is growing. You have the Verizon Center and the Airport and the baseball field. You have more and more traffic. Every family now has multiple cars. It used to be they had one car. You hit the Granite Street bridge at 3 PM to 6 PM you can't get across that bridge. It could take the cab drive a good 20 minutes just to get across the bridge and if he is not running on mileage and his meter is not clicking, he is basically going to take from Granite Street to the bus terminal we'll say and the meter is going to click 25 cents for 20 minutes. That is what I was getting at why you should at least run on waiting time during the busy time of day.

Alderman Osborne asked but wouldn't it be hard to penalize the passengers for that also.

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Mr. DeSchuiteneer answered I from experience taking cabs – I do a lot of traveling, most of the big cities run on waiting time and mileage.

Alderman Osborne responded well this is not the big city.

Mr. DeSchuiteneer replied well it is a lot bigger than it used to be.

Alderman Osborne stated basically also what you say and what should be done, not what the other cab company wants to do but I still don't have a complete figure here. All we have here is two miles, five miles, ten miles. Is the idling/waiting time included in that? There are all of these different factors. It is pretty hard to vote on something like this with what we have in front of us here.

Mr. DeSchuiteneer responded well your average fare without the waiting time would go up \$2 on that fare. From \$6 to \$8.

Alderman Osborne asked how about the insurance on the cabs.

Mr. DeSchuiteneer answered the insurance used to be for the longest time \$7,800 per car. It went up to \$10,700 liability insurance this year. That is for \$500,000 liability.

Alderman Osborne asked so it did drop over the years because 20 years ago I proposed that it be \$1 million. They were only carrying \$10,000 or \$20,000 with five children in the backseat. I think it is common sense that if you have five school children in the back and you are only carrying \$10,000 or \$20,000 liability I think that is way out of whack.

Mr. DeSchuiteneer answered it is \$500,000 but I have \$750,000.

Alderman Osborne asked now it is back down to \$500,000.

Mr. DeSchuiteneer answered \$500,000 is the ordinance. I am carrying right now \$750,000. I called today and asked and I am carrying \$750,000.

Alderman Lopez asked how many cars do you have.

Mr. DeSchuiteneer answered right now I have eight medallion cars.

Alderman Lopez stated I was wondering about two things. Can we hear from Matt Normand who takes care of this as far as licensing and the actual cost of the first mile and so on down the line and then hear from the opposition?

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Chairman Forest stated I don't want to interrupt you but there is a person here who wants to talk against this proposal and then I have Matt who has researched some of this and I will have him speak to that after the gentleman from the other cab company talks.

Alderman Lopez stated you say in your letter that you pay \$6,000 a month for parts on eight vehicles.

Mr. DeSchuiteneer replied exactly.

Alderman Lopez asked what year are your vehicles.

Mr. DeSchuiteneer answered most of them are from 1997 up. I would say I have three 1998's. I have one 1996 out there and the rest are 1997's. The City ordinance requires that our vehicles be no more than nine years old.

Alderman Lopez stated the other question is as we are all aware of you have spot-checking of your vehicles. Out of the eight vehicles how many are unserviceable by being spot-checked?

Mr. DeSchuiteneer responded I lost two that were unserviceable and they have been replaced.

Atty. Buckles stated I would like to add one bit of information that was included in Mr. DeSchuiteneer's letter but I think it is well worth pointing out. The cab that currently picks up at the Airport and drops off here at say the Ramada Inn in Manchester would charge that ride \$17. Under the current rate that you set if my client were to go out to the Airport and pick up that same fare and drop them off at the Ramada the fare would be \$12. You can see there is a dramatic difference there. My client doesn't service the Airport as the other cab companies do by choice. He chooses to serve the City in and of itself. So those cab companies that do service the Airport are able to subsidize to some extent their income by the Airport business. Again, the different in the rate would be roughly \$5 for that same ride that they would be able to make.

Deputy Clerk Normand stated we have one of the owners of Queen City Taxi here and then several drivers who would also be affected by this proposed change.

Chairman Forest responded why don't we listen to the owner of the other cab company and maybe one of the cab drivers.

Rudolph Musat, Queen City Taxi stated I live in Hooksett and operate a cab business in Manchester. I would like to oppose whatever you heard from the

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Metro Cab proposal. First of all, I think in my experience it is too soon. We have to take precaution before raising the rates on the cab business because we did a huge mistake five years ago. Unfortunately the owner...five years ago City Cab is not here to tell you the truth. Ken DeSchuiteneer has owned the cab business only for a year so five years ago we lost at least 60 calls in 12 hours. So we lost a lot of business. So Queen City Taxi, which at the present time I am the owner, took at least five years to recover from whatever we lost five years ago with that increase. I mention the \$3 drop fee and the proposal with 1/10 mile we are going to be one of the most expensive cities in the United States. Everybody is going to call us a luxury cab. I mention New York, which is 8 million people and they are charging less than us. They are charging a \$2 drop off and 1/5 of a mile. The most expensive city in the United States in my research, and it is very easy to find out because all of the information is on the Internet, is Chicago. We cannot compare with Chicago. I don't know if you guys read the article that was on the Internet but the city of Portsmouth tried to cut their rates because they made a huge mistake. I suggest to the Committee that we charge only time and mileage, which I proposed five years ago. Only 25 cents per minute and I am going to explain this because there is a lot of confusion about time and mileage. The time is working on the meter only when the cab stops. If the cab is going 10 miles an hour they automatically charge only on the mileage. The proposal right now I am going to explain very easily what is going on. Every 528 feet the meter is going to charge you 25 cents. Right now it is 875 feet and they charge 25 cents. So you see it is almost doubled. I don't know who is going to be able to afford double what we are going to charge on the meter. I never proposed another surcharge. What I proposed was 25 cents per minute because in my judgement from my experience I am trying to recover whatever the driver is paying right now for the price of gas. For instance, if you take a cab from City Hall to the Mall of NH right now at the 1/6 mile they charge you \$8.50. With the new proposal it will be between \$13 and \$14. With my proposal it would be no more than...if you hit all of the traffic lights between here and the mall it wouldn't be more than 75 cents more on top of the \$8.50. That difference, the 75 cents basically covers the gas price that you spent on that trip. Basically if you take a short trip...somebody asked what is the average trip. I am going to tell you what the average trip is. It is like two and a half miles, which is like \$6.50 on a meter right now. I don't think it is going to be a huge problem for everybody to pay 25 cents or at the top 75 cents or a dollar more in fares if you travel five or six miles like this to cover the difference between the 25 cents and the dollar covers the cost of the fuel price on each trip. Metro Cab said they aren't going to be in business anymore. I assure this Committee that if you allow this proposal to go through I don't know who is going to be in business and who is going to be able to afford to take a cab. It is going to be much cheaper to call Grace Limousine. Just so you know the cab business in Manchester is a necessity, not a luxury. So please consider my proposal which I

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submitted five years ago to let us charge time and mileage and 25 cents per minute.

Alderman Osborne stated right now are the drivers independent.

Mr. Musat answered they are independent. Queen City Taxi has a few drivers here and I am wondering how come Metro Cab doesn't have any drivers here to ask you for that increase. That increase is supposed to be in the driver's pockets right?

Alderman Osborne asked so they are not on your payroll.

Mr. Musat answered no they are not. They are independent contractors.

Alderman Osborne asked is this the same for both cab companies.

Mr. Musat answered yes both companies work with independent contractors.

Alderman Osborne stated years ago it was a company owned type of thing. Anyway, the only thing we are worried about here is the increase in gas right?

Mr. Musat responded exactly but I am concerned too and that is why I am trying to cover the difference in the gas prices. For instance, if that proposal is accepted by you, the gas price in the spring who knows. It could be \$2.20.

Alderman Osborne asked what is the average tip going for now.

Mr. Musat answered you would have to ask my drivers.

Alderman Osborne stated I just want to get an idea of what the average tip is.

Louie Applebaum, Manchester stated I have driven a cab since August of 1991. I don't think that I could surmise the average tip. There are many people in this community that are nice enough to pay the fare and others can be far more gracious. If I could speak for like three minutes and then answer any questions you might have I am totally opposed to any increase. I was opposed to an increase six years ago. Mr. DeSchuiteneer mentioned the airport, civic arena, ballpark and all of these different things and as Rudy said cabs are a necessity in any city and we have 80,000, 90,000 or 100,000 people. We have people who live at 55 South Main Street and 175 Chestnut Street and I could go on and on and list people who are elderly and can no longer drive.

Alderman Osborne replied you are still not answering my question though.

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Mr. Applebaum responded what is the question, Sir.

Alderman Osborne stated how many pick-ups do you have in an average day. Do you have an eight-hour day?

Mr. Applebaum responded no. We have two shifts. We work from 4 PM until 4 AM and we work from 4 AM to 4 PM. Monday would be a lot different than a Friday night. I don't have those numbers but what I am trying to tell you is there are many people in this community that can no longer drive that need to take the cabs to the grocery store or to the hospital and there are many people who are responsible and go out on a Thursday, Friday or Saturday night and take the cab out and take it home. There is no reason for these people to be penalized for this. To get into the car and it starts at \$3 and it is 25 cents for each 1/6 of a mile we can more than afford the gas. It eats into our profits but we are here to build a business so people will take the cabs.

Alderman Osborne replied I understand where you are coming from. Could I ask a question of the City Clerk?

Chairman Forest asked, Mr. Applebaum, are you finished with your comments.

Mr. Applebaum answered I would like to make a few more comments and then I will conclude. The name of the game is safety to keep people off the road. Our cars went through an inspection two weeks ago after we were notified by the Police a week in advance. There wasn't one of our cars that failed – not one. I just don't see the point and people are strapped enough as it is. There is no need to continue to reach into the pockets of people who are on fixed incomes or people who are smart enough not to drink and drive. You have to applaud these people and we need more of these people. I play golf in town. I pass it by word of mouth to take a cab and don't get behind the wheel because the penalty is going to far outweigh everything. I hope you would consider not to increase this because it would just be more detrimental to our business, a business that relies on volume.

Alderman Osborne asked if there is an increase in any way whatsoever do all of the companies have to abide by that increase or can one go by the increase and others not go with the increase.

Deputy Clerk Normand answered the way the ordinances are currently written you are required to follow the rates that are set.

Alderman Lopez asked how many vehicles do you have, Sir.

Mr. Musat answered eight.

Alderman Lopez stated I just want to clarify in my own mind. You said 25 cents per minute right?

Mr. Musat responded yes.

Alderman Lopez asked and you are saying you don't recommend that, Mr. Applebaum.

Mr. Applebaum stated I concur with what Mr. Musat says but no rate increases as far as the drop rate and things like that.

Alderman Lopez asked so the 25 cents per minute is like when you drive from Manchester to...

Mr. Applebaum interjected I don't think it is going to be an adverse type thing. Hopefully this will move it along. We are at our discretion as to what we want to charge.

Alderman Lopez stated I just want to understand it. If I take a cab to the mall for every minute I am going to be charged 25 cents is that correct?

Mr. Applebaum responded no.

Alderman Lopez asked can you clarify that for me.

Mr. Musat stated the meter is designed to work on times only when the car stops. If you spend a minute sitting in a car you will be charged 25 cents. So for instance if you have a traffic light in front of you and are spending 40 minutes and another 40 minutes at the other traffic light, both traffic lights if it makes like 60 minutes he is going to have 25 cents on the meter. If you travel for instance in a huge traffic jam going 10 miles an hour, the meter is not going to allow you to charge 25 cents a minute.

Alderman Osborne asked what would happen if you went from the 1/6 of a mile, instead of 1/10 of a mile you went to 1/8 of a mile. If there was nothing else touched, just that alone, what would that...

Mr. Musat interjected of course there would be a little increase. For instance instead of being \$13 of \$14 from City Hall to the Mall of New Hampshire it would be maybe \$11 or so. So basically there would still be a \$1.50 or \$1.75 increase.

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Mr. Applebaum stated $\frac{1}{6}$ would make it \$1.50. $\frac{1}{8}$ would make it \$2.

Alderman Osborne asked so the $\frac{1}{6}$ with the quarter would bring it where from here to the Mall – does it depend on how you go and what lights you stop at.

Mr. Musat stated that is for the $\frac{1}{8}$ of a mile without time and mileage. If you are charging right now with only mileage...

Alderman Osborne interjected just the 25 cents that you were talking about I am talking about.

Mr. Musat responded you would add another 25 per minute.

Alderman Osborne asked on the $\frac{1}{6}$ right.

Mr. Musat answered yes. It won't be more than 75 cents or \$1.

Alderman Osborne asked so both of them are pretty close.

Mr. Musat answered not really. It depends on how far you go on a trip.

Alderman Gatsas asked if nothing was changed give me a per mile base on what the cost is to utilize the vehicle.

Mr. Musat asked can you repeat the question.

Alderman Gatsas asked the per cost per mile to drive a vehicle today is how much per mile.

Mr. Musat responded I cannot tell you exactly that.

Alderman Gatsas asked well would you agree that it has to be more than what it was when gas was \$1.35.

Mr. Musat answered of course.

Alderman Gatsas asked so Mr. Applebaum if you are a driver and you are leasing a car you must be able to tell me what it is costing you per mile.

Mr. Applebaum answered yes I can. It costs \$1.50 a mile and with it being $\frac{1}{6}$, 25 cents per mile, which is more than affordable with the current rate of gas even if it went to \$3.50 because at the end of a shift I am paying anywhere from \$35 to \$43 a night as opposed to when it was \$1.80 or \$1.90 where I was paying \$28 to \$32.

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So my profits are down about \$20 or \$25 a week, which over the course of a year would be \$1,000, however, the volume of business is where the business is done and if you got rid of the volume...

Alderman Gatsas interjected let me ask the question. You have given me the answer but let me ask the next question. If you are telling me that prior to you were paying \$32 per night and there is a 100% increase in the price of gas from \$1.35/gallon to \$2.70 how are you only going from \$32 to \$43. That is a 30% increase. How can that possibly be when your expense has doubled.

Mr. Musat stated because the volume of the business that you have right now covers that loss from five years ago. That is why we are fighting right now to not lose the business. It is going to be a huge, huge mistake for Manchester to raise the price again.

Alderman Gatsas replied my question was if you were paying \$32 at a cost of \$1.35/gallon and the cost of your gasoline has doubled how can you go up by only 30% on an increase...

Mr. Musat interjected no it was increased 100%. Maybe that is the answer you expected. I have right now 100%...

Alderman Gatsas interjected are you going to answer the question or is he. I understand you are just leasing the cab to him so either he is an independent contractor and he will speak for himself or you are going to speak for him.

Mr. Musat stated well basically I am trying to...

Alderman Gatsas interjected hold on. At least he is going to speak as an independent because I directed the question to him because I asked you the question and you couldn't give me an answer. He is answering. Will you let him answer the question?

Mr. Musat responded sure.

Mr. Applebaum stated the gas and I don't want to seem to be cynical or anything but I don't recall \$1.35. \$1.80 or \$1.90 or \$2 so the increase in that sense would be 70, 80 or 90 cents and even what took place a couple of weeks ago...I don't know how to account for it other than the fact that some nights you may never leave the town. You may go to Hooksett, Auburn, Bedford and other nights you may take a trip to Boston or Portsmouth and naturally this is going to eat up more gas. I am talking averages to you right now. I can't be specific. Every night is a different night in the cab. Some nights, Monday nights are not like Friday nights

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but I am telling you I work the busier nights and the gas right now is costing me from 4 PM until 4 AM anywhere from \$37 to \$43 but the one thing about the fare being jacked up to \$3 five years ago, no one any longer is complaining because they understand the price of gas but five or six years ago they didn't even call anymore. I tried to answer that question to the best of my ability.

Alderman Lopez asked can I have a clarification on something. This letter here is from Metro Cab, Alderman Gatsas, and these people are not Metro Cab and I was wondering if Metro Cab could answer that question.

Alderman Gatsas stated I understand but the difference is that Metro Cab is from what I understand not...they are his employees with worker's compensation and we are talking about independents or are they both independents.

Deputy Clerk Normand stated if I can clarify for this Committee their definition of independent contractor is a little different than the state law. They are all...he is leasing the vehicles. Both companies, all companies, are leasing the vehicles to the drivers, however, the State Labor Department has determined they are not independent contractors and, therefore, they are required, both companies have worker's compensation on all of their drivers. They are not true independent contractors.

Mr. Musat stated we pay worker's compensation on the cars.

Alderman Gatsas asked what does it cost per car.

Mr. Musat answered right now for eight cars it is almost \$14,000 per year.

Alderman Gatsas asked could you say that again please.

Mr. Musat answered for eight cars for a year \$14,000.

Chairman Forest asked that is worker's compensation.

Mr. Musat answered yes.

Mr. Musat stated it depends on the records and I want to mention this because if you have a lot of accidents that could be double. That is why my proposal tries to save some worker's compensation issues with accidents because right now the drivers try to make more money pushing the cars on traffic lights if it is yellow because they know they don't make money – only if they charge on the meter but for my proposal if it is time and mileage all of the drivers know if it is yellow the next traffic light is going to be yellow they have another 25 cents on the meter so

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it is a safety issue too. That is why I am trying to propose this time and mileage. So it is a safety issue and also addresses the increased gas price.

Deputy Clerk Normand stated I can just tell you real briefly because it is already after 7 PM but there are a few inaccuracies in this letter here. Gas was not at \$1.35. In October 3, 2000, Alderman Gatsas chaired the Committee on Administration at that time and we had a spike in gas that put gas prices over \$2/gallon so the two companies had gotten together and worked out a proposal. They came in here. The proposal was approved and I can tell you that Mr. DeSchuiteneer...I understand concerns but he wasn't an owner when we had that last increase. In the following spring both owners who made the proposals came and complained and admitted that they had made an error with this proposal because it killed their business. Because of the timing of this request, I wasn't able to thoroughly research this. I did check with 12 other communities. In 2000 when this increase was approved, the first increase was approved, we were the third highest in the country for taxi rates. There was a community in Wyoming, a community in Wisconsin and a community in California based on the U.S. Taxi Rates in the Taxi & Livery Association – the chart that they provided. Today the 12 communities that I checked, Portsmouth is higher. This proposal would put us higher than all 12 communities and they include Portsmouth, Philadelphia, New York, Los Angeles, Fairfax, Atlanta, Boston, Baltimore, Frederick, MD, and Portland, ME. Both Concord and Nashua are not currently regulating rates. They are leaving it up to the industry to do so. All of these rates that I have were all amended in the last year up to the last several weeks to address the gas changes. Where we currently sit today with the rates that we set in 2000 we are still higher than every one of those communities except Portsmouth. Our recommendation is that we be given time to thoroughly research this because a quick reaction here would have an effect on the entire industry. I think it is obvious by both companies being here tonight that there are two different perceptions of what should happen.

Alderman Osborne moved to table the request.

There was no second.

Alderman Lopez stated I think it is a toss up here. I think the people taking a cab...I have to agree with the second speaker that they are the ones paying the freight. This 25 cents per mile on the stop is valid if that is the recommendation.

Chairman Forest responded I have to correct you. It is not 25 cents per mile. It is 25 cents per minute per stop.

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Alderman Lopez stated I think all parties looked at that. I don't believe that you need to increase the rates from the information that we received from the City Clerk and the information we received from the people testifying here. The only thing I would do in conjunction with this is authorize the 25 cents per minute per stop be added to the ordinance.

Alderman Gatsas stated I am listening to what the City Clerk just told us. If we do anything...I remember this conversation five years ago. We only changed the rates because the cab companies came in with an agreement that they both agreed to and we were just advocating for what they were looking for. They came back some six months later and almost turned around and were telling the fares that it was our fault that we increased rates. Obviously there is something out there and the two cab companies are on two different platforms here and we have the City Clerk telling us if we increase rates we are going to be the highest in the country. I don't know if that makes sense or it doesn't make sense but when somebody tells me that our rates are higher than Philadelphia I get a little nervous hearing that. Metro Cab brought this in. Do you disagree with that analysis with the Clerk?

Mr. DeSchuiteneer responded if I may in Philadelphia and New York City there is a fare on every corner. We haven't even talked about how far we have to travel to get our next fare. A taxi drops off at New York City he is hailed at the next corner. The point that I tried to make earlier and I believe Alderman Osborne stopped my attorney from talking or he would have got to it. The company that is opposed to this rate increase sends cabs to the Airport every night of the week. They are licensed to pick up at the Airport. They go to Portland, ME. They go to Boston, MA and they don't service the City of Manchester. I chose to service only the City and not the Airport. On a cold snowy night they will be in Portland and Metro will be picking up the City passengers. They supplement the driver's income with the long fares. My driver's income is hurting because we have City pick-ups and we have the City ordinance to abide by. The other point that my attorney didn't have a chance to bring up is the fact that every Airport taxi is picking up in this City and the ordinance is not being enforced thus taking money out of my cab driver's pockets. If you could stop that then I wouldn't even ask for a rate increase. Thank you.

Alderman Gatsas asked Matt who is in charge of that enforcement.

Deputy Clerk Normand answered the Police Department.

Alderman Gatsas asked and how do we get them to enforce it if what he is saying is right.

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Deputy Clerk Normand answered we could have the Police Department here at the next meeting to address it.

Alderman Gatsas stated obviously Alderman Osborne wants to table this so lets get the Police Department in here and find out why they are not enforcing an ordinance that is in effect.

Alderman Osborne moved to table. Alderman Gatsas duly seconded the motion. Chairman Forest called for a vote. There being none opposed, the motion carried.

Alderman Gatsas asked can you make sure that you have the Police Department check in the last five years to see if there has been anybody summonsed for that violation.

Deputy Clerk Normand answered certainly.